

Length-of-stay Outlier
Admissions 07/01/95 and After

- [1] DRG code (from claim): _____
If the DRG code is within the range of 424-432, then **STOP**. The claim is not subject to reimbursement for length-of-stay outliers.
- [2]= Length-of-stay (covered days) _____
- [3] DRG outlier cut-off threshold (OCT) (from Table B) _____
- [4] Outlier days (line [2] - line [3]) _____
If the result in [4] is less than or equal to zero, then **STOP**.
The claim is not subject to reimbursement for length-of-stay outliers. Go to line [10] and enter zero (0).
- [5] DRG federal portion (from Table A, item 6) times
DRG weight (from Page 1, line 5) _____
- [6] Geometric mean length-of-stay (GLOS) (from Table B) _____
- [7] DRG base price per diem (line [5] divided by [6]) _____
- [8] Marginal cost factor: _____ 0.47
- [9] Multiply (line [7] x line [8]) _____
- [10] Day outlier payment (line [4] x line [9]) _____

Carry the final figure from line [10] over to Page 1 line [9] of the DRG Payment Calculation Worksheet.

Cost Outlier for DRG-Reimbursed Hospitals
=Admissions On and After 12/03/01

[1]	DRG code (from paid claim): _____	
[2]	Total charges	_____
[3]	Noncovered charges	_____
[4]	Net charges (line [2] - line [3])	_____
[5]	IME factor (from Table A, item 18)	_____
[6]	IME adjusted charges (line [4] divided by line [5])	_____
[7]	Cost to charge ratio (from Table A, item 3)	_____
[8]	Net covered cost (line [6] x line [7])	_____
[9]	Federal rate (from Table A, item 6)	_____
[10]	DRG relative weighting factor (from Page 1, line 5)	_____
[11]	National DRG rate (line [9] x line [10])	_____
[12]	Specific fixed loss threshold (Table A, item 17)	
	<ul style="list-style-type: none"> ● for admissions 12/03/01 through 06/30/05 - x 1.22 ● for admissions 07/01/05 through 06/30/06 - x 1.40 	_____
=	<ul style="list-style-type: none"> ● for admissions 07/01/06 through 12/31/07 - x 1.47 	_____
=	<ul style="list-style-type: none"> ● for admissions 01/01/08 and after - x 1.64 	_____
[13]	Cost outlier threshold (line [11] plus line [12])	_____
[14]	Gross outlier cost (line [8] - line [13]) If the result in [14] is less than or equal to zero, then STOP . The claim is not subject to reimbursement for cost outliers. Go to line 16 and enter zero (0).	_____
[15]	Marginal cost factor (effective 1/1/95)	_____ <u>0.80</u>
[16]	Cost outlier adjustment (line [14] x line [15])	_____

Carry the final figure from line [16] over to Page 1 line [10] of the DRG Payment Calculation Worksheet.

Outlier Adjustment Calculation for Per Diem Priced Claims

=For a disproportionate share provider to qualify for an outlier, the patient must be under age six. For a non-disproportionate share provider, the patient must be under age one. For a children's hospital as defined in 89 Illinois Administrative Code Section 149.50(c)(3)(A), the patient must be under the age of 19 with a date of admission on or after January 1, 2008.

Provider information needed:

*daily per diem rate; *daily disproportionate share rate; *daily MHVA rate; *daily MPA rate; outlier standard deviation amount (in effect on admission date); outlier cost-to-charge ratio (in effect on admission date)

Claim information needed:

total covered charges; total covered days

*If the date of service crosses a rate period where there is a rate change, you will have to do steps 5 through 11 twice (one calculation for each rate period) and then add them together.

[1] Outlier standard deviation \$ _____

[2] Total covered charges \$ _____

Compare total covered charges to the outlier standard deviation. If total covered charges are less than the outlier standard deviation, then **stop**. The claim is not eligible for outlier consideration. If total covered charges are greater than the standard deviation, proceed to step 3.

[3] Outlier cost-to-charge ratio _____

[4] Multiply line 2 times line 3 \$ _____

[5] Per diem rate \$ _____

[6] Disproportionate share rate \$ _____

[7] MHVA rate \$ _____

[8] MPA rate \$ _____

[9] Total of lines 5, 6, 7, and 8 \$ _____

[10] Number of covered days _____

[11] Multiply line 9 times line 10 \$ _____

[12] Line 4 total minus line 11 total \$ _____

[13]= If step 12 total is zero or less, **stop**. The claim is not eligible for an outlier. If step 12 is greater than zero, then take step 12 total

multiplied by the applicable factor below:

- **For admissions between December 3, 2001 and June 30, 2005:**
X .22 (factor .22 is used for all hospitals) Outlier Amount Due \$ _____
- **For admissions between July 1, 2005 and June 30, 2006:**
X .20 (factor .20 is used for all hospitals) Outlier Amount Due \$ _____
- **For admissions between July 1, 2006 and December 31, 2007:**
X .18 (factor .18 is used for all hospitals) Outlier Amount Due \$ _____
- **For admissions on and after January 1, 2008:**
X .17 (factor .17 is used for all hospitals) Outlier Amount Due \$ _____

EXAMPLE

Provider information:		Claim information:	
*daily per diem rate	\$ 1,219.11	total covered charges	\$152,564.09
*daily disproportionate share rate	\$ 60.60	total covered days	45
*daily MHVA rate	\$ 87.38		
*daily MPA rate	\$ 52.40		
outlier standard deviation amount	\$52,682.40		
outlier cost-to-charge ratio	.50		

[1] Outlier standard deviation \$ 52,682.40

[2] Total covered charges \$ 152,564.09

Compare total covered charges to the standard deviation. If total covered charges are less than the outlier standard deviation, then **stop**. The claim is not eligible for outlier consideration. If total covered charges are greater than the standard deviation, proceed to step 3.

[3] Outlier cost-to-charge ratio .50

[4] Multiply line 2 times line 3 \$ 76,282.05

[5] Per diem rate \$ 1,219.11

[6] Disproportionate share rate \$ 60.60

[7] MHVA rate \$ 87.38

[8] MPA rate \$ 52.40

[9] Total of lines 5, 6, 7, and 8 \$ 1,419.49

[10] Number of covered days 45

[11] Multiply line 9 times line 10 \$ 63,877.05

[12] Line 4 total minus line 11 total \$ 12,405.00

[13]= If step 12 total is zero or less, **stop**. The claim is not eligible for an outlier. If step 12 is greater than zero, then take step 12 total multiplied by the applicable factor below:

● **For admissions between December 3, 2001 and June 30, 2005:**

- X .22 (factor .22 is used for all hospitals): Outlier Amount Due \$ 2,729.10
- **For admissions between July 1, 2005 and June 30, 2006:**
- X .20 (factor .20 is used for all hospitals): Outlier Amount Due \$ 2,481.00
- **For admissions between July 1, 2006 and December 31, 2007:**
- X .18 (factor .18 is used for all hospitals): Outlier Amount Due \$ 2,232.90
- **For admissions on and after January 1, 2008:**
- X .17 (factor .17 is used for all hospitals): Outlier Amount Due \$ 2,108.85